

WASHINGTON (March 1) – Congressman Spencer Bachus (AL-6), Chairman of the House Financial Services Committee, made the following statement today during a Full Committee hearing to review the Administration’s report on housing finance.

To view CNBC interview with Congressman Bachus previewing the hearing, [click here](#).

**“The collapse of Fannie Mae and Freddie Mac in 2008 helped trigger a financial crisis from which our economy is still trying to recover. A toxic combination of implicit government guarantees, lax underwriting standards, a captive GSE regulator, and misguided housing policies here in Washington has led to \$150 billion in losses for the American taxpayer. Policymakers, including Congress, must take responsibility for their nonfeasance and misfeasance and work together to develop a new private market model for housing finance. It is time to fully engage in this debate, and Secretary Geithner, we are pleased to have you before the Committee today for this important discussion.”**

**“Bringing a resolution to the financial collapse and bailout of Fannie Mae and Freddie Mac is one of the most important challenges facing this Committee. Two years ago, Republicans recognized the need to reform Fannie and Freddie and proposed a plan that would protect taxpayers and build a strong housing finance system. Many of the ideas included in the Republican plan are part of the Administration’s report ‘Reforming America’s Housing Finance Market’ that was released on February 11th. For that, Mr. Secretary, the Administration should be commended. This can serve as the basis for finding common ground and moving forward.”**

**“However, we cannot and should not look at Fannie Mae and Freddie Mac in isolation. Comprehensive reform of housing finance must include FHA and have as its ultimate goal a system based on private capital, not taxpayer subsidies. It is very encouraging that there is now a bipartisan recognition that we must move toward a private market rather than one where the government backstops 90 percent of all mortgages in this country. In this era of record-breaking deficits and a skyrocketing national debt, that’s simply not a formula for ‘winning the future.’”**

**“House Republicans are ready and willing to sit down with you, Mr. Secretary, and other Administration officials, and our Senate colleagues as soon as possible to craft legislation to produce a comprehensive housing finance reform plan -- one based on private capital and that protects taxpayers from further losses and future bailouts. It is**

**my hope that this hearing today constructively starts this needed dialogue.”**

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